

State of Utah DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 14, 2010

Robert Hicken Mountain Valley Stone, Inc. 2275 South Daniels Road P. O. Box 985 Heber City, Utah 84032

Subject: Suspended Approval to Mine on Lot 26, Mountain Valley Stone, Browns Canyon

Quarry, M/043/0019, Summit County, Utah

Dear Mr. Hicken:

On March 11, 2010, the Division wrote and asked that you provide updated right of entry information for Lot 26 or adequate evidence that you have right of entry. On March 31, 2010, the Division received a letter from Brad Young stating that the minerals and surface owners are negotiating a royalty agreement and that Mountain Valley Stone is working to obtain a conditional use permit. The letter also stated that Mountain Valley Stone will not be mining on Lot 26 until the conditional use permit is finalized.

By letter dated August 11, 2008, the Division approved expansion into Lot 26 conditional upon approval of a larger proposal or of an increase to the reclamation surety. In telephone conversations, Mr. Young has indicated he thought the expansion area was already included in the area covered by the existing reclamation surety, but neither of us has been able to confirm this.

Because of the uncertainty whether the current surety covers Lot 26, and because of the questions regarding right of entry into Lot 26, the Division has decided to suspend its approval to conduct mining operations within this area. To remove this suspension, please provide:

- 1. Additional surety to increase the total reclamation surety to \$98,000, or verification that Lot 26 is already included in the bonded area; and,
- 2. Substantiation that Mountain Valley Stone has the right to enter and begin mining operations in Lot 26.

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Please contact me at 801-538-5261 or Leslie Heppler at 801-538-5257 if you have questions about this letter. Thank you for your cooperation.

Sincerely,

RAPE

Paul B. Baker

Minerals Program Manager